

The Role of Micro, Small, and Medium Enterprises Toward Sustainable Development Goals Through Islamic Financial Institutions

Bedjo Santoso*

Management Department

Sultan Agung Islamic University (UNISSULA)

Semarang, Indonesia

*Bedjo.s@unissula.ac.id

Abstract—Research regarding the relation between MSMEs, IFIs and SDGs is interesting topic, many studies have been done. However, there are very scare that involved comprehensive approach. It is therefore aim of the study can be categories in two side. First side from demand perspective: to assess the perceptions and knowledge of MSMEs on their own capacities to access Islamic Finance Institutions and to identify factors why they use or do not use IFIs as source of financing. From supply side: to what extend the role IFIs to support MSMEs toward SDGs, and what are the possible strategies to deal with the problem related this issues. This research basically descriptive research by using mix method. From demand side used quantitative method by involving 384 respondents and semi structures interview to select the important person. The finding revealed that IFIs support MSMEs towards SDGs achievement in terms of poverty alleviation, industrial innovation, infrastructure, financial stability, economic growth, and income distribution. Currently, from demand side, the intention to use and access MSMEs to IFIs is still very low, but in the future could be better, if strategy is implemented such financial literacy that improve MSMEs understand the advantages and features of Islamic financial products. Besides that, the role of government concerns to support the regulations and policies. From supply side, support IFIs to strengthen the role MSMEs toward SDGs is fair, it is because the number of IFIs financing available to support MSMEs is quite enough in average just 50% from total financing. However, Islamic microfinance has good chance to support MSMEs financing needed by increasing their capacity, hence, the role of government very urgent. This study recommends for future research to explore important factor influenced the two sides supply side and demand side as well.

Keywords: *MSMEs, IFIs, development, SDGs, strategy, accesibility, financing*

I. INTRODUCTION

Many parties expect that MSMEs can play a significant role in the economic field, especially the economics of Indonesia. The government also hopes that MSMEs can contribute to sustainable development in Indonesia or having role in the SDGs (Sustainable Development Goals). In particular, the head of BAPPENAS expects that MSMEs and entrepreneurs to play a major role in the economy, particularly SDGs, in order to

achieve the goals of decent work, economic growth and stability, infrastructure, industry and innovation [1]. The government has committed to establishing SDGs as a platform for economic development which focuses on the view of empowering MSMEs to achieve SDGs because they have a crucial role in moving the economics of the community, especially in supporting poverty alleviation and creating a sustainable business environment to achieve SDGs [2].

Many researches have been conducted related to the role of SMEs in economic development, including Hailey which concluded that MSMEs have a role in poverty alleviation and income redistribution including job creation, increased income and output [3]. Besides that, Ng and kee stated that MSMEs have the potential for industrial growth [4]. Asmy et al., in their paper stated that MSMEs share to employment [5]. Abdullah and Hoetoro concluded that MSMEs are the main actors in domestic economy, encompassing social entrepreneurship and empowering instruments [6]. Caska and Indrawati found from another perspective that MSMEs has driven community economic activities in an area [7]. Abdullah stated that MSMEs has driven the halal industrial sector [8]. From the aspect of increasing GDP through MSMEs, a research also has been carried out by Tambunan [9]. Furthermore, Pomare stated that MSMEs applied the goal of ensuring sustainable national consumption and production [2]. In addition, from a broader perspective, Razak et al., also asserted that MSMEs have significant roles to the economic and social opportunities, new job opportunities, lower unemployment rates, increasing competition, productivity and providing substantial benefits to the economy [10].

From the description above, it is proven that MSMEs have been proven to develop a country's economic growth. However, no research has summarized the above factors in the SDGs frame. In relation to the Indonesian SDGs, it is hoped that the Islamic Financial Institutions (IFIs) has a contribution to realize sustainable economic growth, one of the structures is to develop MSMEs. Many studies revealed that IFIs have contributed to MSMEs, including Asmy et al., which concluded that IFIs through cash waqf are effective sources of financing SMEs [11]. According to Widiyanto [12], it was concluded that MSMEs receiving funding from Islamic

Finance had improved their business as indicated by increased sales turnover, number of workers and customers [13-5]. Moreover, Okello et al., stated that an increase in access to Islamic Finance facilitates MSMEs to expand and enhance their profitability, productivity and competitive advantage in developing economics [16]. In relation to MSMEs with IFIs, cooperation between institutions is needed in social capital structure [6]. Furthermore Abdullah and Hoetoro also stated that MSMEs were contributed by the World Business Council for Sustainable Development (WBCSD) [6]. However, the above statement is still general, therefore, it is necessary to elaborate how IFIs support SMEs in realizing SDGs.

Based on the explanation above, this study aims to find out how the role of IFIs to support MSMEs in realizing the SDGs from the aspect of MSMEs perceptions on IFIs access; factors that affect MSMEs on IFIs access, the role of IFIs in realizing the MSMEs towards SDGs; and the role of government and business to support these goals.

II. RESEARCH OBJECTIVES AND METHOD

The aims of this study can be categorized in two sides; demand side, to assess the perceptions and knowledge of MSMEs on their own capacity to access Islamic Finance Institutions, Second: To identify factors why they use or do not use IFIs as source of financing. From supply side: to what extend the role IFIs to support MSMEs toward SDGs, and what are the possible strategies to deal with the problem related this issues.

This research basically descriptive research by using mix method. The first side used quantitative method by involving 384 respondents by questionnaires. Sampling method is purposive area sampling. From supply side used semi structure interview to selected respondents who expert in Islamic Finance that eligible to evaluate IFIs financing.

III. LITERATURE REVIEW

A. Islamic Approach to Empower Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) have an important role in contributing to economic growth, employment creation, industrialization, wealth creation, output expansion, local resources utilization and adaptation to technology [3,17] which can be reflected by the increase in Gross Domestic Product (GDP) and an increase in the amount of employment [11,18-20].

In developed and developing countries, there are many programs to empower MSMEs that have worked well and made significant progress. In general, the objectives of each MSMEs development policy can be categorized into the following categories: For creation of an industry itself; supporting industry; Industrial sector reform; and employment [6]. In addition, Abdullah and Hoetoro further revealed that the purposes of the strategy to empower MSMEs are to [6]: (a) assist and provide incentives to MSMEs, (b) adjust industrial structures and provide suitable spaces for MSMEs for their survival and opportunities to grow [21], (c) respond to community needs because businesses can no longer focus

solely on profits [22], (d) attention to individual and social balance [23].

Muslim entrepreneurs must have a vision that they no longer produce products at the minimum quality level but they must strive to do their best in producing high-quality products and reasonable prices [6]. Mohtsham has explained the main elements that shape the vision of Islam, among others [23]: clarity of direction; ambition, motivation and enjoyment; memory; relevance to customers; truth; community needs; and vision sharing. Islamic finance requires a good and facilitative legal framework so that it can operate effectively, with adequate recognition, support, and legal protection to support MSMEs [24].

Figure 1 below illustrates how Islam influences MSMEs' vision which directs business objectives to fulfill the needs of MSMEs especially, and the community or society in general.

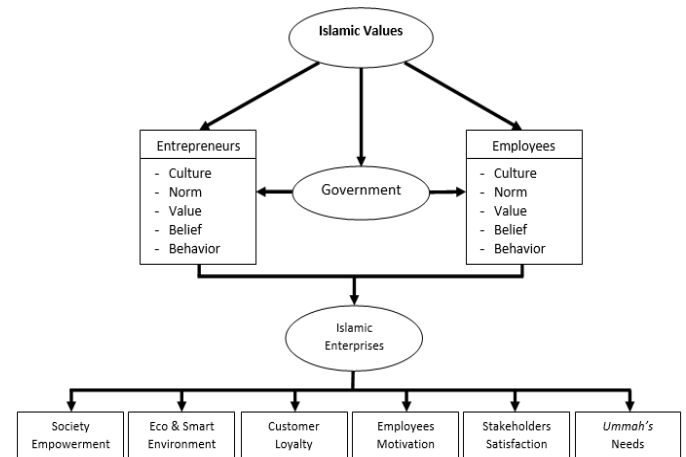


Fig. 1. The role of islamic values in msmes development [6].

The role of Islamic value on the development of MSMEs is implemented in accordance with the Islamic vision of Muslim entrepreneurs i.e. producing products with high quality and reasonable prices and serving the needs of the people. In addition, MSMEs need a favorable institutional framework in order to develop steadily, especially since only a few MSMEs have the financial or human resources needed to handle their operational burdens.

One initiative in an effort to create a profitable institutional framework for MSMEs has been contributed by the World Business Council for Sustainable Development (WBCSD). This institution has established an institutional framework to empower MSMEs development that can be implemented by the government and business sector [6,22,24].

These initiatives are beneficial for institutions that support Islam in an effort to empower MSMEs through the Islamic approach. Thus, Islamic financial institutions and business development services are expected to be able to contribute and work together, side by side, to implement the initiative, while other supporting institutions are trying to strengthen MSMEs and also direct the activities of MSMEs to realize people's welfare in general.

B. The Role of MSMEs to Sustainable Development Goals (SDGs)

SDGs and MSMEs, seen from the aspect of mission, indirectly have close economic and social relations [25-27]. SDGs which are driven by the United Nation believed to be very important to address global economic and social challenges faced by today's international and national employers [26,27].

According to the Central Bureau of Statistics [28], Indonesia has a new challenge to realize the SDGs. The SDGs have 17 goals, 169 targets and 240 indicators. One of the objectives of the SDGs is to promote Inclusive and Sustainable Economic Growth, Employment and Decent Work for all where MSMEs take part in achieving these goals. MSMEs have a crucial role in fostering the economy of the community, especially in supporting poverty alleviation and creating a sustainable business environment in realizing the SDGs.

Previous research showed that MSMEs have a role in SDGs in social contexts [25,28,29]. Lumpkin et al., showed that the correlation exists between four antecedents (mission/social motivation, identification of opportunities, access to resources/funding, and various stakeholders) and three outcomes (i.e. social value creation, sustainable solutions, and satisfying many stakeholders) as well as five MSMEs orientation dimensions (innovation, proactive, risk taking, competitive aggressiveness, and autonomy) [29,30]. Governments, regulatory parties, and other non-governmental organizations have a role in utilizing the SDGs and the performance of MSMEs. They must increase the sensitivity of MSMEs toward SDGs and the contribution of stakeholders [2].

Pickernell offered insight for the determinants of the success of MSMEs [31]. Pickernell showed that the determinants of the success of MSMEs include (1) the industrial sector; (2) MSMEs age; (3) characteristics of owner and managers; and (4) MSMEs resources (human resources, technology, and intellectual property) [31].

MSMEs tend to sort out social and commercial logic as the core of its function [2]. Acs et al., stated that the success of MSMEs comes from social motivation, highly innovative effort that are able to create significant economic value [32,33]. Other research indicated that a determinant factor of MSMEs success is to focus on a strategy [34], the practice of governance, leadership style [35] and the internal processes [33]. In addition, sustainable orientation also plays an important role in improving the performance of MSMEs [36].

In implementing MSMEs policy, the Indonesian government sets out eight main focuses i.e., funding, innovation, internalization, workforce training, training management, entrepreneurship, programs for specific target groups, and procurement of public goods and services [37]. Thus, it is expected that MSMEs in Indonesia can continue to be supported to strengthen the community-based welfare. As a result, MSMEs in relation to the SDGs can become a pillar of creating various products and services needed by the community in order to improve the quality of their living standards [2,4,7,9,21,37].

C. The Role of Islamic Financial Institutions (IFIs) to MSMEs

The World Bank declared that knowledge and financing have helped MSMEs gain access to financial services in order to be able to manage risks and grow [38]. So that, they can create jobs and increase income.

MSMEs have many development challenges, ranging from product marketing to capital problems [39]. High credit interest rates and the need for material guarantees are one of the factors that cause MSMEs to experience difficulties in obtaining business capital. The existence of profit-sharing financing products offered by IFIs can help the growth of the MSMEs sector to work optimally [9,16,21]. In addition, there is a need for a financial inclusion for MSMEs, so that, the capital problems can be resolved early because, currently, more than 40% of MSMEs are still financially excluded.

IFIs especially Islamic banking is one of the financial institutions whose role is highly expected by MSMEs because there are more funds available in Islamic banks compared to microfinance institutions such as *Baitul Mal Wat Tamwil* (BMT) and Islamic financial services cooperatives (KJKS). This happens because, operationally, these two institutions have very close relationships [40,41].

Islamic financial institutions have developed several financial products in accordance with Islamic. Many of these instruments are based on equal participation, deferred payment and interest-free loans [6]. IFIs provide the same contribution to the financial system and the economy by combining ethical and moral values in its financing mode, motivating Muslims to mobilize funds and providing external resources for venture capital. Through a profit and loss sharing mechanism, its impact on economic development has the potential to become more important. Islamic financial institutions offer capital loans for the production process and with instruments aimed at contributing to the company's capital [21].

Through these instruments, Islamic financial institutions pursue specific goals, namely to support a holistic approach in supporting business and entrepreneurship; productive activities; and risk management. In addition, Islamic financial institutions also pursue Islamic religious principles that mandate social responsibility and assistance for those in need [6,21]. Islamic finance operating mechanism is shown in Figure 2.

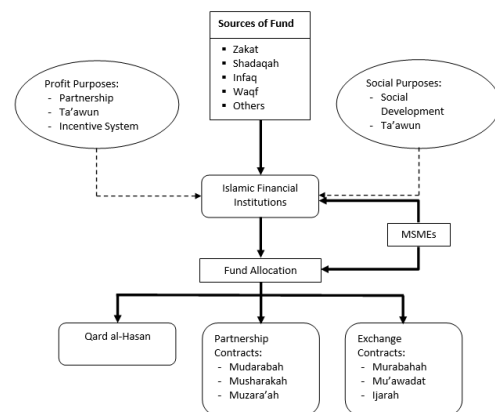


Fig. 2. Islamic financing in MSMEs setting [6].

The Islamic finance serves as a financial intermediary for MSMEs to build local structures that help MSMEs to grow progressively [42].

Nevertheless, the problems that arise in this effort may not be fully related to policy, access to capital, and entrepreneurial skills. There are also social details that must be considered such as problems related to the level of distrust and lack of cooperation between MSMEs which has the potential to reduce the benefits of financial support for empowering MSMEs itself [6,22,43].

Several empirical studies conducted on IFIs have assessed the performance and stability of IFIs to conventional ones [44-48]. There are several studies that analyze the correlation between IFIs and economic growth. Furqani and Mulyany for example, have examined the dynamic interaction between Islamic banking and MSMEs [49]. Abduh and Chowdhury also analyzed the long-term and dynamic relationship between the development of Islamic banking and the growth of MSMEs [50].

Other research also confirmed that there is a positive and significant correlation between the ease of access to IFIs and the growth of MSMEs in the long and short term. According to Widiyanto [12], based on the results of his research it was also concluded that MSMEs receiving funding from IFIs experienced business improvements as indicated by increased sales turnover, number of workers and number of customers [13,14,15,51].

D. SMEs Intention to Use or to Access IFIs

Islamic financial institutions have enormous potential in the economy [6]. Especially in the Islamic banking system which is very suitable for developing MSMEs that have a strategic role in driving national economic development. One example is to increase the accessibility of financing, which is to provide easier requirements and to conduct training and business assistance. Islamic banking is expected to continue to grow in empowering MSMEs [6,37]. Therefore, the contribution of Islamic banking in the development of MSMEs is expected to run more optimally [2,9,16,21,52].

The study on the role of the IFIs towards MSMEs in theory and most research supports the research of Abduh and Chowdhury [50]. The study concluded that in the long and dynamic term there is a significant correlation between the development of Islamic banking and the growth of MSMEs. This research also emphasized that if MSMEs has easy access to IFIs, the growth of MSMEs in the long term and short term will increase.

Supporting MSMEs, the government has a policy which continues to expand access to bank loan products so that business people no longer need to borrow from relatives, families or loan sharks. However, most government support is still limited to conventional schemes, while in the Islamic-based financing scheme is still very limited. On the other hand, it will be seen how the MSMEs intend to use and access the IFIs according to the research conducted.

Based on research conducted by Rasheed et al., it is stated that a large number of MSMEs in North Africa, the Middle

East and South Asia prefer Islamic financial products rather than conventional [53]. However, unlike in Pakistan, lack of financial knowledge or awareness of Islamic financial products makes it difficult for MSMEs to identify and determine the financing options available for their business financial needs. Thus, this study focuses more on determining the importance of awareness factors in influencing the intention of MSMEs owners to adopt Islamic finance in meeting their business financial needs. Furthermore, the results of this study are expected to be the basis for more structured research on the issue of financing from the adoption of Islamic financial products for MSMEs.

Meanwhile, the research conducted by Lajuni et al., found that the perception of MSMEs owners of certain products will lead to their intention in choosing products especially related to financing products of IFIs [54]. The research extends the literature by providing insights on the subject matter in developing countries to direct MSMEs to banking services to be able to provide better service to their customers. Based on results of the study, it is stated that the presence of attitudes, government support, and social influence on MSMEs have a clear and predictive capacity to direct their intention to use Islamic banking products.

In addition, research conducted in Malaysia by Jaffar and Musa, confirms that MSMEs knowledge of IFIs greatly influences the intent to use and access to IFIs [55]. Another factor is the level of religious (Islam) understanding, namely whether or not using IFIs is an obligation. The reputation and trust of the IFIs also greatly determine the decision of MSMEs, meaning that the more trustworthy of IFIs will be higher the intent to use IFIs by MSMEs. Besides, MSMEs in using IFIs also pay attention to business calculations which are important factors, there is consideration of cost-benefits, meaning that if it is profitable on a business basis IFIs will be used, but if it is not then MSMEs prefer not to use IFIs. Therefore, the policy maker must pay attention to these matters so that MSMEs access to IFIs becomes easier.

Based on the stated studies, it can be concluded that MSMEs actually have the desire to access and use IFIs if:

- MSMEs have a fairly good knowledge of IFIs
- MSMEs have the awareness to use Islamic financial products
- There are attitudes, government support, and social influences on MSMEs to use IFIs
- MSMEs have a good level of understanding of Islamic religion so it prefers IFIs to conventional financial institutions
- Reputation and trust of IFIs are good enough to influence MSMEs to use and access them.
- Consideration of the calculation of business profits by MSMEs that are considered more profitable using IFIs than conventional financial institutions.

IV. FINDINGS AND DISCUSSION

The size of Micro, Small and Medium Enterprises (MSME) markets in Indonesia raises the question of how Islamic financial institutions take opportunities to be involved in the markets as capital providers which are fairer and in accordance with Islamic provisions as a religion adopted by the majority of people in Indonesia.

The analysis divides into two sides namely: demand side, it will begin with observing the role of current Islamic financial institutions, by looking at various aspects such as the utilization of MSMEs and the understanding of MSMEs actors on islamic-based financing products. Then conducting an observation in terms of public responses to the services provided by those Islamic financial institutions, which is seen from the ease of access. Second analysis from supply side includes the capabilities IFIs to support SMEs toward SDGs. The question is to what extent IFIs support MSMEs toward SDGs?

A. Demand Sides Analysis

1) *The roles and the opportunities of IFIs as a source of capital for MSMEs:* Capital is an important part believed to be able to improve business continuity. This was conveyed by 123 respondents out of a total of 252 respondents who answered related assistance needed for business continuity (code C open question. Finance Number 20). MSMEs actors also emphasize the types of capital requirements they need.

Based on the results of interviews with 374 respondents, it was obtained an overview of the forms of funding sources which were most widely used by MSMEs actors from the initial business establishment to future plans to re-anticipate funding needs.

TABLE I. DECISION ON THE UTILIZATION OF INDONESIAN MSME FUNDING SOURCES

Types of Capital Sources		Initial	Current	Future Plan
		Number Unit of (n) MSMEs		
Internal Sources	Personal Saving	202	191	130
	Family Loan (Relative Loan)	77	29	18
External Sources	Bank Loans	137	96	89
	Cooperatives	26	29	33
	Microfinance Institutions	12	9	23
	Crowd-Fund	2	3	23
	Rotating Saving Loan Scheme	4	5	18
	Non-governmental organization	8	4	21
	Registered Moneylenders	4	5	14
	Moneylenders Not Registered	9	2	14
Others	1	1	1	
Total		482	374	384

Based on the table, it can be seen that MSMEs actors tend to use their own funds (personal savings) to run their businesses. The second source of funds is from bank loans

which have been well known by almost all Indonesian people, both from upper class and lower class society. Especially with the existence of government programs through banking institutions, such as People's Business Credit (KUR) which is intended for small and medium-sized communities, especially for businesses, making bank financial products in the form of loans becomes the most sought-after external funding source.

Even so, MSMEs actors have different ideas as time goes by, they have a tendency to no longer use their own funds or utilize conventional banking facilities. This can be seen from the decline in the use of their own funds and bank loans by MSMEs actors in meeting current capital needs, even MSMEs actors tend not to plan maintaining the source of these funds in the future. On the other hand, the interest in utilizing microfinance institutions and cooperatives has slightly increased. Although the number of islamic and cooperative financial service users is still low, MSMEs actors see the funding source as a better alternative, so they have plans to utilize Islamic financial products as a source of their capital.

2) *Utilizing islamic financial products by MSMEs actors:* The low utilization of financial resources through IFIs is one of which based on the lack of MSMEs actors' understanding about the existence of islamic-based financing in Indonesia. This can be based on the newly existence of IFIs in Indonesia, which was first initiated by the establishment of Bank Muamalat Indonesia in 1993. The following table presents the MSMEs actors' understanding about the differences between conventional and Islamic finance.

TABLE II. MSME ACTORS' UNDERSTANDING AND BEHAVIOR ON ISLAMIC-BASED FUNDING

Awareness of differences in Islamic and conventional financing	155 (not so aware)	76 (not aware)	87 (not sure)	30 (sure)	26 (very sure)
Plan to use Islamic funding	4 (surely no)	57 (no)	156 (not sure)	90 (yes)	20 (very sure)

Source: Primary Data Processed (2019)

Based on the results of processing the respondents' data, it is known that only 26 MSMEs actors really understand the difference between islamic-based and conventional financing. While the majority of MSMEs do not really understand the difference between the two patterns of financial products. This is further strengthened by only 24 respondents who have experience utilizing Islamic financial products, while 281 other answers stated that they do not even have any experiences with islamic financial institutions (Questionnaire number 18, Part C. Finance). This can also be the basis for why many MSMEs actors still have not considered islamic financial products as a source of their capital (statement 2. in Table 2, about Plans to use islamic funding).

3) *Strategy of the optimization of islamic financial institution role:* The use of capital is not only seen from where the fund sources will be, but from how to get the funds. This is also a concern for MSMEs to get capital which is not only light in accordance with their expectations, but also easily accessible.

TABLE III. ACCESSIBILITY OF CAPITAL RESOURCES BASED ON TYPES OF FUNDING SOURCES

Types of Capital Sources	Accessibility				
	1 (Difficult to Access)	2 (Fair)	3 (Neutral)	4 (Accessible)	5 (Satisfying)
Personal Savings	15	10	43	113	109
Bank Loans	27	16	78	103	63
Family Loan (Relative Loan)	20	33	74	61	42
Cooperative	37	33	88	52	22
Microfinance Institutions	55	34	66	30	17
Non-governmental organization	79	40	41	16	7
Rotating Saving Loan Scheme	94	17	46	10	6
Registered Moneylenders	107	17	33	5	9
Moneylenders Not Registered	107	16	34	6	9
Crowd-Fund	99	44	39	12	3
Others	1	0	0	0	2

Source: Primary Data Processed (2019)

MSMEs actors have experience in searching funding sources, and the majority feels that it is easier to fulfill the capital needs using their own savings. This can be understood that the majority of MSMEs belongs to the Micro Business groups, with assets of less than IDR. 50,000,000,- or a total turnover per year of less than IDR. 300,000,000,-

TABLE IV. PROFILE OF MSMEs BASED ON BUSINESS GROUPS

Business Groups	Based on Total Assets	Based on Total Turnover per Year
Micro business	168 MSMEs	261 MSMEs
Small business	143 MSMEs	109 MSMEs
Medium Business	63 MSMEs	43 MSMEs
TOTAL	374 MSMEs	374 MSMEs

Source: Processed Primary Data (2019)

Notes:

- Micro Business Category: Total Assets <IDR. 50,000,000,- or Total Turnover <IDR. 300,000,000,-
- Small Business Category: Total Assets between IDR 50,000,000,- to IDR 500,000,000,- or Total Turnover between IDR 300,000,000,- to IDR 2,500,000,000,-
- Medium Business Category: Total Assets > IDR 10,000,000,000,- or Total Turnover > IDR 50,000,000,000,-

TABLE V. PROFILE OF MSMEs BASED ON THE FORM OF BUSINESS

Form of Business	Number of businesses
Cooperative	5 MSMEs
Limited Liability Company (Private)	20 MSMEs
Partnership	20 MSMEs
CV	329 MSMEs
TOTAL	374 MEs

Source: Processed Primary Data (2019)

Based on the table 4 about the businesses grouping based on size, it can be concluded that the majority of MSMEs in Indonesia are still in micro category, that is, with total assets of no more than IDR 50,000,000,- and a total turnover of less than IDR. 300,000,000,- With small business assets and if it is not

supported by other assets owned by business actors, MSMEs will find it difficult to obtain financing from banks because of weak guarantees. Furthermore, more business status are as CV or *Commanditaire Vennootschap*, which make business records, especially the recording of financial statements, not required to be neat and structured according to standard in general (Indonesian tax law states companies with a turnover of less than IDR 4,800,000,000,- are not required to do bookkeeping business). Instead, by neat and complete bookkeeping, it will be able to improve the bank's assessment of these MSMEs, the opportunity for MSMEs to obtain financing from the banking sector will be easier.

Therefore, it is not surprising that the existence of Islamic banking is still very small in MSMEs environment, which is, not only due to its status as a newcomer to the funding source group, but also due to various weaknesses possessed by MSMEs to be able to access islamic financial institutions which still have many requirements (homework) to be fulfilled. Moreover, the MSMEs capital needs are dominated by expectations of low-cost capital, while this is slightly contrary to the responsibility of the banking sector which is not only tasked as a stimulant in the business sector, but also tasked with sharing attractive benefits for their customers as the main source of funds managed by banks (third party funds).

4) *Intention to use and access IFIs products and services:* It has been explained in the previous sub-chapters that the understanding of MSMEs actors on islamic financial products and IFIs are still very low. Intention to use and acces to IFIs respectively 3.125% in the beginning, 8.85% currently, and 9.89% in the future. This fact consider is very weak condition in term of the potency MSMEs to use and access IFIs.

However, in the future is predicted, the response will be much better if they have treated by Islamic financial literacy programs, related the features of IFIs products and services. As for the types of Islamic financial products, the opportunities for using islamic financial products can be described as follows.

TABLE VI. INTEREST IN THE USE OF ISLAMIC FINANCIAL PRODUCTS BASED ON THE AGREEMENT

Types of Product	Initial	Current	Future Plan
Musyarakah Mutanaqisah	3	1	4
Ijarah	1	4	6
Kafala	-	3	3
Mudharabah	5	6	11
Murabahah	-	8	3
Musyarakah	2	4	6
Qard Hassan	1	5	2
Sukuk	-	3	3
Others	-	-	-
TOTAL	12	34	38

Source: Processed Primary Data (2019)

Meanwhile, if it is evaluated based on the realization process of using islamic-based funds, it can drawn in the accessibility table as follows.

TABLE VII. PERCEPTION OF ACCESSIBILITY FOR UTILIZATION OF ISLAMIC FINANCIAL PRODUCTS BY MSMEs ACTORS

Types of Product	Accessibility				
	1 (Difficult to Access)	2 (Fair)	3 (Neutral)	4 (Accessible)	5 (Satisfying)
Musyarakah Mutanaqisah	2	2	9	4	0
Ijarah	1	1	10	5	1
Kafala	1	1	9	5	0
Mudharabah	1	2	9	12	2
Murabahah	1	1	6	5	4
Musyarakah	1	2	6	5	1
Qard Hassan	2	1	7	4	2
Sukuk	3	2	6	3	1
Others	0	0	0	0	0

Source: Processed Primary Data (2019)

Based on the table, from 38 respondents used IFIs (just 9.89% from total), mostly they used murabaha skeme or buying and selling contracts. This is further strengthened by the perception of MSMEs who felt that islamic financial products with *murabahah* contracts are the easiest to reach, then continued with islamic financial product based on cooperation i.e. *mudharabah*.

The most favorite financing products also refer to the business patterns owned by MSMEs actors, where the majority are businesses in the sectors of trade or service, then continued by the business in the sectors of consumerism and industry.

TABLE VIII. MSME GROUP BASED ON BUSINESS SECTOR

Types of Sector	
1 Consumer	97
2 Constructions	2
3 Hotel and Tourism	3
4 Industrial	64
5 Mining	0
6 Plantation	10
7 Properties	7
8 Technology	3
9 Trading/Services	177
10 Transportation	11
11 (Type)	0
TOTAL	374 (MSMEs)

Source: Calculated Primary Data (2019)

By understanding the business sectors that are most in demand for MSMEs, as well as the preferences of MSMEs actors in utilizing islamic financial products in the future based on their contracts, it drives islamic banks can formulate appropriate strategies to present product schemes that are appropriate to the needs and interests of MSMEs actors.

As for the majority weaknesses of MSMEs, namely collateral which may not necessarily fulfill banking qualifications, as well as the completeness of administrative filings such as recording and bookkeeping reports which are acknowledged by MSMEs actors as their weaknesses in managing the business, the weakness can be followed up in two ways, there are; the scheme of appropriate islamic financial products, and the provision of related training.

5) *Strategies of IFIs to strengthen their role in MSMEs in Indonesia:* Basically, the need for increased financial skills in MSMEs is not fully related to islamic finance, but if IFIs can capture the opportunities of this da'wah, it is not impossible to further introduce islamic-based financing schemes to MSMEs actors (one of the problems is that islamic financial inclusion is still low among MSMEs). Moreover, the good and positive opportunities of Indonesian MSMEs actors towards islamic-based financing products can also be considered.

Aside from the importance of training to improve the understanding of MSMEs actors regarding capital fulfillment strategies as voiced by 123 of 252 respondents who answered open questions, the importance of financial management education is also provided by the majority of 374 respondents. The financial training needs are not only needed for current business conditions, but also for the future (sustainable training).

TABLE IX. TRAINING NEEDED BY MSMEs FOR CURRENT CONDITIONS

	Current Needs					TOTAL
	1 Definitely NO	2 No	3 Not Sure	4 Yes	5 Definitely YES	
Finance	3	35	48	195	93	374
HR	3	42	60	184	85	374
IT	4	37	56	192	85	374
Marketing	3	51	87	151	82	374
Product Dev	9	35	57	178	95	374
Operational Management	5	40	69	172	88	374
Quality Dev	4	32	53	186	99	374
R&D	5	35	71	169	94	374
Sustainability	6	37	89	160	82	374
Others						0

TABLE X. TRAINING NEEDED BY MSMEs FOR THE FUTURE

	Future Needs					TOTAL
	1 Definitely NO	2 No	3 Not Sure	4 Yes	5 Definitely YES	
Finance	4	28	46	143	153	374
HR	2	34	54	151	133	374
IT	4	31	47	148	144	374
Marketing	4	47	64	124	135	374
Product Dev	5	36	51	140	142	374
Operational Management	1	42	56	147	128	374
Quality Dev	6	31	46	146	145	374
R&D	4	39	56	131	144	374
Sustainability	8	45	70	119	132	374
Others						0

Source: Processed Primary Data (2019)

The product scheme in accordance with the needs of MSMEs refers to various weaknesses possessed by MSMEs (the gap between MSMEs as those that need capital, and Islamic banks as the owners of capital), is strengthened by the opportunity for IFIs to enter the MSMEs market share when MSMEs actors feel the saturation of conventional financing sources and expect a more equitable funding source such Islamic financial products.

The results of the analysis of the opportunities for Islamic financial products to enter the MSMEs market share in Indonesia can be summarized in the form of a SWOT analysis table (Strength, Weakness, Opportunity, and Threat).

TABLE XI. SWOT ANALYSIS OF ISLAMIC FINANCIAL INSTITUTIONS IN MSME MARKET SHARE IN INDONESIA

STRENGTHS <ul style="list-style-type: none"> Flexible islamic financial product scheme (based on contract) Schemes of Islamic financial products that are in accordance with Islamic principles (fairer) 	WEAKNESSES <ul style="list-style-type: none"> Market inability (MSMEs) to fulfill the qualifications of prospective debtors (collateral and completeness of business reports) Tremendous lack of understanding of MSME actors towards the existence of islamic financial institutions
OPPORTUNITIES <ul style="list-style-type: none"> Market saturation towards conventional loans Positive response of market regarding islamic financial products 	THREATS <ul style="list-style-type: none"> Other cheaper financial products Other more accessible financial products

Source: Personal Document (2019)

6) *The arrangement of islamic financing product schemes:* Some literature has conveyed the weaknesses of credit through banks by MSMEs actors. This weakness is related to the lack of a form of guarantee for credit application.

7) *Solutions*

- Contracts such as asset based finance capital (OECD [56]) to fulfill the requirements for collateral can use the new asset
- Collaboration with Islamic Micro-finance institutions which have faster accessibility and simpler fulfillment of requirements

- Collaboration with social institutions such as ZISWAF institutions to provide low-cost financing. This collaboration is intended for Micro Enterprises with a choice of 2 schemes; 1) qardul hasan financing which only needs to return the principal, and there is an obligation to pay ZISWAF, 2) financing at a very low cost because it is not profit oriented.

B. *Supply Side*

1) *The role of IFIs to MSMEs in the SDGs terms:* The role of IFIs on MSMEs in realizing SDGs is described as follows.

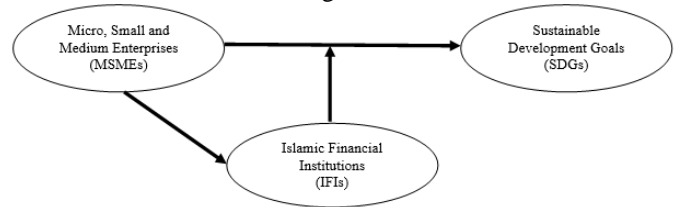


Fig. 3. The role of IFIs on MSMEs in the SDGs terms.

From the figure above, it can be explained that IFIs can help MSMEs towards SDGs from the aspect of supply with indicators of SDGs achievement, there are: poverty alleviation, industrial innovation, infrastructure, financial stability, economic growth, and income distribution. Therefore, several Islamic financial analysts have interviewed to assess this.

In relation to the potential, commitment and implementation of IFIs to develop MSMEs in achieving SDGs, based on the results of the interviews, several conclusions were made, as follows:

- Whatever it takes, IFIs (Islamic Banks, Islamic capital markets, Islamic mutual funds, etc.) are business institutions that place financial benefits as the main consideration in the decision to finance or not to finance MSMEs.
- There is a fact that the risk of financing MSMEs is greater. Therefore, with this in mind, IFIs in Indonesia are still half-hearted in channeling their funding to MSMEs.
- IFIs are more impartial to large companies than MSMEs. The fact is that if IFIs have funds of USD 1 million, for example, IFIs prefer to channel funds to several large companies rather than channeling their funds to 1000 MSMEs. This is because the large entrepreneurs are more able to promise profits and security than MSMEs.
- According to the facts, assistance to 1000 MSMEs can drive the economy of the people better and at the same time equalize income. But in fact, the IFIs preferred the issue of economic growth by helping several large entrepreneurs. This goal can be achieved if there is government intervention in the form of support with regulations and laws. Yet, until now this has not been available quite well and even seems that the government is willing to help MSMEs because there are

certain political purposes for example when there is a general election.

- If MSMEs get assistance and empowerment based on Islamic values, the MSMEs can realize the objective elements of the SDGs, such as: poverty alleviation, industrial innovation, infrastructure, financial stability, economic growth, and equitable income.
- However, the Islamic Microfinance (*Baitul Mal wat Tamwil / BMT*) several decades ago had a large capacity or potential in helping MSMEs in both financing and empowerment. In addition, in the present era, government support subsidy to Islamic microfinance.
- Based on the government aids, many BMTs are more powerful. So that, it can be said that the support of IFIs in realizing MSMEs towards the SDGs is quite strong.
- Besides that, there is a hope that Islamic microfinance has a cheap source of capital from *zakat* and *waqf* originating from the community. This is based on prepositions if Islamic microfinance gets cheap funding sources, the ability to empower MSMEs towards SDGs is more powerful.
- The government also provide strong support to increase the collection of *zakat* and *waqf* through BMT. The government conducts socialization and ease of service for the people, especially those with middle income, will choose this method rather than going to the Umrah or Hajj many times.
- Actually, there is an opportunity to increase BMT in helping MSMEs in the digital era 4.0, namely the Equity crowd funding model. In this case, BMT is given the right to raise funds from the public to finance MSMEs with a profit-sharing system.
- Besides, with the Block chain system, the fundraising model to finance MSMEs becomes much larger. Because in the digital era, based on block chain, investor relations with customers can be direct and very efficient and do not require a third party.
- Government's through OJK (Financial Services Authority of Indonesia) give many support and concern in this effort.

From some of the points above, it can be concluded that IFIs support for MSMEs in Indonesia indicated systematically and has tended increasingly. So that, it can be said that the role of MSMEs has quite enough power in realizing the SDGs in terms of poverty alleviation, industrial innovation, infrastructure, financial stability, economic growth, and income distribution.

Moreover, there are significant opportunities if Islamic values are implemented in the community, especially in terms of helping and cooperation. The government role becomes important to achieve socio-economic welfare as stated in first foundation of PANCASILA. It states One Supreme of God with the obligation to carry out Islamic for Muslims.

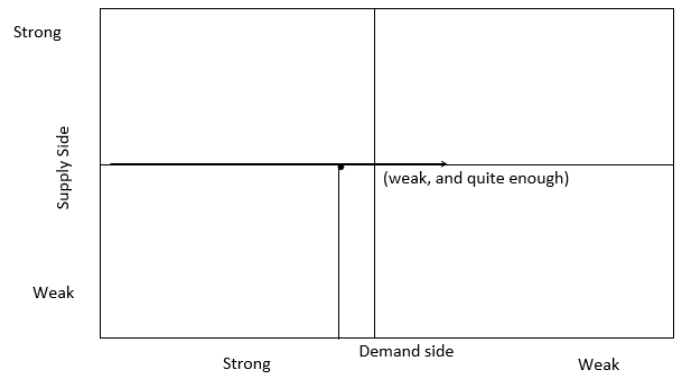


Fig. 4. MSMEs, IFIs and SDGs mapping.

In the figure above appears that relation of IFS support for the MSMEs towards the SDGs is a combination of weak and quite enough. Demand side is low, while supply side indicates quite enough. The appropriate strategy for the condition is the government should take over. Because business development problems, Islamic Financial Systems development and SDGs are government area and authority. Government as the main stakeholder. However, the next study is needed to answer to what extend the government role to deal with the problems.

V. CONCLUSION

Based on the results of the study, the majority of MSMEs tend to have small business assets so that MSMEs have difficulty in obtaining financing from banks due to the weak collateral they have. In addition, the recording of financial statements that are not in accordance with the standards in general makes MSMEs more difficult to obtain financing from the banking sector. Therefore, it is not surprising that the existence of Islamic banking is still very low in the MSMEs environment, which is not only because of its status as a newcomer to the funding source group, but also due to various weaknesses that MSMEs still have to fulfill.

Basically, once an Islamic financial institution can capture the opportunity of *da'wah* by financing the capital needs of these MSMEs, it is not impossible to introduce Islamic-based financing schemes to MSME actors. Moreover, it can be proven by seeing the good and positive opportunities of Indonesian MSMEs actors towards Islamic-based financing products. Aside from the importance of training to improve the understanding of MSMEs actors regarding the capital fulfillment strategies, financial management education is also important to do. The need of financial training not only needed for current business conditions, but also for the future (ongoing training). The product scheme in accordance with the needs of MSMEs refers to various weaknesses possessed by MSMEs (the gap between MSMEs as those who need capital, the IFIs as the owner of capital), is strengthened by the great opportunity for IFIs to enter the MSMEs market share when SMEs feel saturation of conventional financing sources and expect more equitable funding sources such as Islamic financial products.

Some literature has conveyed credit weaknesses through conventional financial institutions by MSME actors. This

weakness is related to the lack of a form of guarantee for applying for credit. Thus, the strategies that can be carried out by IFIs so that they can be easily used and accessed by MSMEs include: implementing contracts such as asset based finance capital [56], cooperating with Islamic microfinance institutions, working with social institutions such as ZISWAF to provide financing at a lower cost.

Meanwhile, based on the results of the SWOT analysis of IFIs on the MSMEs market share, it can be seen that even though IFIs have several weaknesses, there are few MSMEs who understand IFIs and access is still relatively difficult compared to Conventional Financial Institutions. However, IFIs also have several opportunities and strengths including having flexible and appropriate financial product schemes in Islamic law. This means that IFIs have quite strong role to support MSMEs for realizing socio-economic welfare. Besides that, IFIs tend to have a positive response to some people who already understand IFIs and their products. Thus, IFIs market has a large enough opportunity to continue to grow in the community, which should also be followed by ease to access all services offered by IFIs, especially by MSMEs actors.

Furthermore, IFIs can help MSMEs towards SDGs from the aspect of supply with indicators of SDGs achievement, there are: poverty alleviation, industrial innovation, infrastructure, financial stability, economic growth, and equal distribution of income if Islamic values are implemented in the community, especially in terms of helping and cooperation. This is where the role of the government becomes more important to make regulations and policies that are appropriate to realize these goals.

VI. FUTURE RESEARCH

Further research is needed to create a model for how MSMEs can increase access to IFIs and how IFIs support MSMEs businesses. Future research must be comprehensive involving indicators and important factors with broader respondents. All stakeholders (government, business people, Islamic financial institutions, academics and scholars) must be involved so that comprehensive results can be obtained to improve the IFIs strategy in supporting MSMEs towards the SDGs.

REFERENCES

- [1] Bappenas, "Bappenas: UKM dan Kewirausahaan dorong SDGs," *beritasatu.com*, 2018.
- [2] C. Pomare, "A Multiple Framework Approach to Sustainable Development Goals (SDGs) and Entrepreneurship," *Entrep. Sustain. Dev. Goals*, pp. 11–31, 2018.
- [3] J. Hailey, "Small Business Development in the Developing World: An Overview of Contemporary Issues in Enterprise Development," *Cranf. Inst. Technol. Cranf.*, 1991.
- [4] H. S. Ng and D. M. H. Kee, "Entrepreneurial SMEs Surviving in the Era of Globalization: Critical Success Factors," *Glob. Oppor. Entrep. Growth Coopetition Knowl. Dyn. within across*, pp. 75–90, 2017.
- [5] M. Asmy, T. Thaker, M. O. Mohammed, J. Duasa, and M. A. Abdullah, "The Behavioral Intention of Micro Enterprises to Use the Integrated Cash Waqf Micro Enterprise Investment (ICWME-I) Model as a Source of Financing," *Gadjah Mada Int. J. Bus.*, vol. 18, no. 2, pp. 111–130, 2016.
- [6] M. A. Abdullah and A. Hoetoro, "Social Entrepreneurship as an Instrument to Empowering Small and Medium Enterprises : An Islamic Perspective," *Int. J. Manag. Bus. Res.*, vol. 1, no. 1, pp. 35–46, 2011.
- [7] Caska and H. Indrawati, "How to maintain sustainability of micro and small enterprises of crispy oil palm mushroom: A case study in Riau province," *J. Sci. Technol. Policy Manag.*, 2018.
- [8] M. A. Abdullah, "Halal Small and Medium Enterprises (SMEs) in Direct Selling Industry : Scenario in Malaysia," *J. Halal Ind. Serv.*, vol. 1, no. 1, pp. 1–13, 2018.
- [9] T. T. H. Tambunan, "Development of Micro , Small and Medium Enterprises and Their Constraints : A Story from Indonesia," *Gadjah Mada Int. J. Bus.*, vol. 13, no. 1, pp. 21–43, 2011.
- [10] D. A. Razak, M. A. Abdullah, and A. Ersoy, "Small Medium Enterprises (SMEs) in Turkey and Malaysia a Comparative Discussion on Issues and Challenges," *Int. J. Business, Econ. Law*, vol. 15, no. 3, pp. 1–10, 2018.
- [11] M. Asmy, T. Thaker, M. O. Mohammed, J. Duasa, and M. A. Abdullah, "Developing Cash Waqf Model As An Alternative Source Of Financing For Micro Enterprises In Malaysia," *J. Islam. Account. Bus. Res.*, vol. 7, no. 4, 2016.
- [12] Widiyanto, "Pemberdayaan Usaha Mikro Melalui Pembiayaan Musyarakah: Studi Kasus BMT Bringharjo Yogyakarta," *Stud. Kasus BMT*, pp. 179–182, 2016.
- [13] Y. Farida, "Pengaruh Pembiayaan Musyarakah Terhadap Perkembangan Usaha Tani Bawang Merah Nasabah BMT Beringharjo," *IAIN Sunan Ampel Surabaya*, 2013.
- [14] S. Herianingrum, "Peran BMT dalam Meningkatkan Usaha Pengusaha Mikro: Studi Kasus pada BMT Asy-Syifa Sidoarjo," *Stud. Kasus BMT*, pp. 189–196, 2016.
- [15] I. Nurrohmah, "Analisis Perkembangan Usaha Mikro, Kecil dan Menengah Sebelum dan Sesudah Menerima Pembiayaan Musyarakah pada Koperasi Jasa Keuangan Syariah BMT (Studi Kasus: BMT Beringharjo Yogyakarta)," *UNY Yogyakarta*, 2015.
- [16] G. C. B. Okello, J. M. Ntayi, J. C. Munene, and C. A. Malinga, "The Relationship Between Access to Finance and Growth of SMEs in Developing Economies: Financial Literacy As A Moderator," *Rev. Int. Bus. Strateg.*, 2017.
- [17] D. A. Razak and M. Abduh, "Customers' attitude towards diminishing partnership home financing in islamic banking," *Am. J. Appl. Sci.*, vol. 9, no. 4, pp. 593–599, 2012.
- [18] M. A. A. B. H. Harif, "Financial Management Practice: An In-Depth Study Among The CEOs of Small and Medium Enterprises (SMEs)," *Int. Rev. Bus. Res. Pap.*, vol. 6, no. 6, pp. 13–35, 2010.
- [19] M. Z. M. Salleh and A. Abdullah, "Minimum Wages Policy Towards The Employers in SME Industry," no. 131, 2015.
- [20] World Bank, "Turkey, Improving Conditions for SME Growth Finance and Innovation," Report No. 54961-TR, 2011.
- [21] H. Zarrouk, T. El Ghak, and E. A. Al Haija, "Financial development, Islamic Finance and Economic Growth: Evidence of the UAE," *J. Islam. Account. Bus. Res.*, vol. 8, no. 1, pp. 2–22, 2017.
- [22] E. R. A. E. Ali and U. A. Oseni, "Towards an Effective Legal and Regulatory Framework for Islamic Financial Transactions: Major Initiatives of the Central Bank of Malaysia," *Int. J. Law Manag.*, 2016.
- [23] S. M. Mohtsham, "Vision and Visionary Leadership An Islamic Perspective. International Review of Business," *Res. Pap.*, vol. 3, no. 2, pp. 248–277, 2007.
- [24] M. K. Hassan, R. N. Kayed, and U. A. Oseni, "Introduction to Islamic Banking and Finance: Principles and Practice," 2013.
- [25] G. George, J. Howard-Grenville, A. Joshi, and L. Tihanyi, "Understanding and tackling societal grand challenges through management research," *Acad. Manag. J.*, vol. 59, no. 6, pp. 1880–1895, 2016.
- [26] United Nation, "Sustainable Development Goals," United Nations Department of Economic and Social Affairs (UN DESA), 2017.

- [27] United Nation, "World's Population Increasingly Urban with More Than Half Living in Urban Areas," United Nations Department of Economic and Social Affairs (UNDESA), 2017.
- [28] BPS, "Sustainable Development Goals (SDGs)," bps.go.id, 2015.
- [29] G. T. Lumpkin, T. W. Moss, D. M. Gras, S. Kato, and A. S. Amezcua, "Entrepreneurial processes in social contexts: How are they different, if at all?," *SME Econ.*, vol. 40, no. 3, pp. 761–783, 2013.
- [30] G. T. Lumpkin and G. G. Dess, "Entrepreneurial orientation," *Wiley Encycl. Manag.*, 2015.
- [31] D. Pickernell, P. Jones, P. Thompson, and G. Packham, "Determinants of SME exporting: Insights and implications," *Int. J. Entrep. Innov.*, vol. 17, no. 1, pp. 31–42, 2016.
- [32] Z. J. Acs, M. C. Boardman, and C. L. McNeely, "The Social Value of Productive Entrepreneurship," *SME Econ.*, vol. 40, no. 3, pp. 785–796, 2013.
- [33] Z. J. Acs, D. B. Audretsch, E. E. Lehmann, and G. Licht, "National Systems of Entrepreneurship," *SME Econ.*, vol. 46, no. 4, pp. 527–535, 2016.
- [34] K. Hockerts, "Determinants of social entrepreneurial intentions," *Entrep. Theory Pract.*, vol. 41, no. 1, pp. 105–130, 2015.
- [35] T. Maak and N. Stoetter, "Social entrepreneurs as responsible leaders: 'Fundación Paraguaya' and the Case of Martin Burt," *J. Bus. Ethics*, vol. 111, no. 3, pp. 413–430, 2012.
- [36] L. C. Leonidou, P. Christodoulides, and D. Thwaites, "External determinants and financial outcomes of an eco-friendly orientation in smaller manufacturing firms," *J. SME Manag.*, vol. 54, no. 1, pp. 5–25, 2016.
- [37] Bank Indonesia, "UMKM Kunci Penciptaan Sumber Ekonomi Baru Indonesia," 2017.
- [38] World Bank, "Micro, Small, and Medium Enterprise (MSME) Finance," 2013.
- [39] S. Irmawati, "Model Inklusi Keuangan Pada UMKM Berbasis Pedesaan," *JEJAK J. Econ. Policy*, vol. 6, no. 2, pp. 103–213, 2013.
- [40] H. Z. Rini, "Peran Perbankan Syariah terhadap Eksistensi UMKM Industri Rumah Tangga Batik Laweyan," *J. Multidiscip. Stud.*, vol. 1, no. 1, 2017.
- [41] Zamroni, "Peran Bank Syariah Dalam Penyaluran Dana Bagi Usaha Mikro, Kecil, Dan Menengah (UMKM)," *Iqtishadia*, vol. 6, no. 2, pp. 225–240, 2013.
- [42] H. Z. Mahmood, M. Fatima, M. Khan, and M. A. Qamar, "Islamic Microfinance and Poverty Alleviation: An Empirical Ascertainment from Pakistan," *J. Islam. Econ. Bank. Financ.*, vol. 11, no. 2, pp. 85–105, 2015.
- [43] F. Alom, M. A. Abdullah, A. R. Moten, and S. M. F. Azam, "Success factors of overall improvement of microenterprises in Malaysia: an empirical study," *J. Glob. Entrep. Res.*, vol. 6, no. 7, 2016.
- [44] L. Arbi, S. Basov, and M. I. Bhatti, "On Sharia'a-compliance and return to investment," *J. Stock Forex Trading*, vol. 3, no. 2, p. 116, 2014.
- [45] S. Basov and M. I. Bhatti, "On Sharia'a-compliance, positive assortative matching, and return to investment Banking," *J. Int. Financ. Mark. Institutions Money*, vol. 30, p. 191, 2014.
- [46] M. Hanif, M. Tariq, A. Tahir, and W. U. Momeneen, "Comparative performance study of conventional and Islamic banking in Pakistan," *Int. Res. J. Financ. Econ.*, vol. 83, pp. 62–71, 2012.
- [47] M. Hasan and J. Dridi, "The effects of the global crisis on Islamic and conventional banks: a comparative study," *IMF Work. Pap.*, 2010.
- [48] F. Mansor, M. I. Bhatti, and M. Ariff, "New evidence on the impact of fees on mutual fund performance of two types of funds," *J. Int. Financ. Mark. Institutions Money*, vol. 35, pp. 105–115, 2015.
- [49] H. Furqani and R. Mulyany, "Islamic banking and economic growth: empirical evidence from Malaysia," *J. Econ. Coop.*, vol. 30, no. 2, pp. 59–74, 2009.
- [50] M. Abduh and N. T. Chowdhury, "Does Islamic banking matter for economic growth in Bangladesh?," *J. Islam. Econ. Bank. Financ.*, vol. 8, no. 3, pp. 104–113, 2012.
- [51] A. Martiana, "Analisa Dampak Pembiayaan Musyarakah terhadap Pendapatan Usaha Mikro dan Kecil di BMT Beringharjo Cabang Pabringan Yogyakarta," 2014.
- [52] M. O. Yusuf, N. S. Shirazi, and M. A. Abdullah, "Regulatory Framework For Member-Owned Islamic Microfinance Institutions (MIMIS) In Sub-Saharan Africa (SSA)," no. May, 2016.
- [53] R. Rasheed, S. H. Siddiqui, and M. A. Rahman, "Influence of Awareness on SME's Intention towards adoption of Islamic Finance in Pakistan," *Rev. Econ. Dev. Stud.*, vol. 4, no. 1, 2018.
- [54] N. Lajuni, W. P. M. Wong, Y. Yacob, H. Ting, and A. Jausin, "Intention to Use Islamic Banking Products and Its Determinants," *J. Econ. Financ. Issues*, vol. 7, no. 1, 2017.
- [55] M. A. Jaffar and R. Musa, "Determinants of Attitude towards Islamic Financing among Halal-Certified Micro and SMEs: A Preliminary Investigation," *Procedia-Social Behav. Sci.*, vol. 130, pp. 135–144, 2014.
- [56] OECD, "New Approaches to SME and Entrepreneurship Financing," 2015.